



COUNCILMEMBER CARL DEMaIO

FIFTH DISTRICT
CITY OF SAN DIEGO

MEMORANDUM

DATE: August 26, 2009

TO: Honorable Mayor Jerry Sanders
City Attorney Jan Goldsmith

FROM: Councilmember Carl DeMaio *Carl DeMaio*

RE: Extension of Mesa Shopping Center East Cost Reimbursement District
No. 4045

As you know, I strongly believe that all developers should pay their full and fair share of public facilities and mitigation for their developments. I write to you with significant concerns that this principle is not being upheld on one project in my community—the Mesa Shopping Center East Cost Reimbursement District (CRD).

In connection with the development of Mesa Shopping Center East in Mira Mesa, the developer undertook certain public improvements of excess size and capacity that benefited other properties in the vicinity of the shopping center. As required by state law and local ordinance, the City and Mesa Shopping Center East entered into an agreement whereby the developer agreed to construct the improvements and the CRD would be established to recover a portion of the costs from the other seven benefited property owners and developers.

All of the affected property owners have fulfilled their reimbursement obligations under the CRD with the exception of one developer.

Under terms of the agreement, Mesa Shopping Center East is entitled to only those costs recovered by the City during the 20-year period running from the date the CRD was established. The reimbursement obligations and the CRD are currently set to expire on February 13, 2010.

State law mandates that local jurisdictions provide a mechanism to reimburse developers for the cost of improvements that are beyond what is necessary to serve the subdivision or development and expressly authorizes the use of CRDs. The City has established such

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a mechanism by ordinance. Although the CRD Ordinance limits the maximum term of any CRD lien on affected properties to 20 years from the formation of the CRD, state law does not impose any such time limits or term. Rather, state law simply requires that the excess costs be reimbursed.

Consistent with state law, it is my desire to see the CRD remain in place until **all developers have paid their fair share of the public improvements.** Mesa Shopping Center East is owed approximately \$3,112,000 by one remaining developer and the City is also entitled to collect approximately \$295,000 from this developer.

For this reason, I respectfully request an ordinance to extend Mesa Shopping Center East Cost Reimbursement District (CRD) and associated Cost Reimbursement Agreement for Mesa Shopping Center East be docketed before the City Council for consideration at the earliest convenience.

Thank you for your attention to this matter.

cc: Honorable City Councilmembers
Mira Mesa Community Planning Group